

MILBURN CAIN & CO.
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CERTIFIED PUBLIC ACCOUNTANTS
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September 19, 2014

Board of Trustees
Village of Wadsworth
Wadsworth, Illinois

We have audited the financial statements of the Village of Wadsworth for the year ended April 30, 2014, and have issued our report thereon dated September 19, 2014. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

Our responsibility as auditors is to conduct our audit to form an opinion about whether the financial statements that have been prepared by management with the oversight of those charged with governance are presented fairly, in all material respects, in conformity with generally accepted accounting principles. However, the audit of the financial statements by us does not relieve management or those charged with governance of their responsibilities.

As stated in our engagement letter dated January 24, 2014, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit of the financial statements of the Village of Wadsworth as of and for the year ended April 30, 2014 in accordance with auditing standards generally accepted in the United States of America, we considered the Village's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraphs and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the Village's financial statements and report does not extend beyond the financial information identified in the report. We do not have an obligation to perform any procedures to corroborate other information contained in these documents.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Village of Wadsworth are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended April 30, 2014. We noted no transactions entered into by the Village during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Village's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed indicate matters that have a significant effect on the Village's financial reporting process.

Disagreements With Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Village's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

This information is intended solely for the use of the Village Board and management of the Village of Wadsworth and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

MILBURN CAIN & CO.
Certified Public Accountants

A handwritten signature in black ink, appearing to read "M. David Cain", with a large, sweeping flourish underneath.

M. David Cain, Sr., Principal

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VILLAGE OF WADSWORTH, ILLINOIS

AUDIT REPORT

APRIL 30, 2014

VILLAGE OF WADSWORTH, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

Village President and Trustees
Village of Wadsworth, Illinois

We have audited the accompanying financial statements of the governmental activities and each fund of the Village of Wadsworth, Illinois as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each fund of the Village of Wadsworth, Illinois as of April 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3-8 and 25-28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. In our opinion, the required supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Milburn Cain & Co." with a stylized flourish at the end.

Milburn Cain & Co.
Certified Public Accountants

Gurnee, Illinois
September 19, 2014

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WADSWORTH, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2014

As management of the Village of Wadsworth, Illinois (Village), we offer readers of the Village's statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to the financial statements.

Financial Highlights

- The assets of the Village exceed its liabilities and deferred inflows at April 30, 2014 by \$10,213,685 (total net position). Of this amount, \$1,807,627 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased \$135,440 from current year activities.
- At April 30, 2014, the Village's governmental funds reported combined ending fund balances of \$2,082,046, an increase from current year activities of \$79,540.
- At April 30, 2014, the unassigned fund balance for the General Fund was \$1,807,627, or 134% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. Both perspectives (government-wide and fund level financial statements) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government), and enhance the Village's accountability.

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the Village's assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating when comparing year to year results.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Village has no business-type activities at this time. The governmental activities of the Village include general government and motor fuel tax.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be categorized as governmental funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate the comparison between the fund financial statements and the government-wide statements.

The Village maintains two individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and Motor Fuel Tax Fund, each as major funds. The basic governmental fund financial statements can be found on pages 11-14 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-23 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information comparing the Village's appropriation (budget) to actual revenues and expenditures for the General Fund and Motor Fuel Tax Fund. Required supplementary information can be found on pages 24-28 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the Village, assets exceeded liabilities and deferred inflows by \$10,213,685 at April 30, 2014.

By far, the largest portion of the Village's net position (80%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, building improvements, park improvements, and equipment); less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
 Village of Wadsworth, Illinois
 Statement of Net Position
 As of April 30, 2014
 Compared With April 30, 2013

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Current and Other Assets	\$ 2,289,030	\$ 2,200,122
Capital Assets	<u>8,188,450</u>	<u>8,146,689</u>
Total Assets	\$ <u>10,477,480</u>	\$ <u>10,346,811</u>
Liabilities and Deferred Inflows	\$ <u>263,795</u>	\$ <u>268,566</u>
Net Position		
Net Investment in Capital Assets	\$ 8,131,639	\$ 8,075,739
Restricted	274,419	165,632
Unrestricted	<u>1,807,627</u>	<u>1,836,874</u>
Total Net Position	\$ <u>10,213,685</u>	\$ <u>10,078,245</u>

An additional portion of the Village's net position (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,807,627) may be used to meet the Village's ongoing obligations to citizens and creditors.

Governmental Activities

Governmental activities increased the Village's net position by \$135,440. This increase is attributable to the Village having a decrease in expenses and an increase in revenues as compared to the previous year:

Table 2
Village of Wadsworth, Illinois
Changes in Net Position
As of April 30, 2014
Compared With April 30, 2013

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Revenues		
Program Revenues		
Charges for Services	\$ 76,890	\$ 57,480
Operating Grants and Contributions	61,900	15,285
General Revenues		
Property Taxes	43,774	43,659
Sales and Use Taxes	580,940	596,901
Other Taxes	627,216	606,191
Other Revenue	<u>34,636</u>	<u>13,342</u>
Total Revenues	\$ <u>1,425,356</u>	\$ <u>1,332,858</u>
Expenses		
General Government	\$ 600,884	\$ 595,320
Public Works	651,892	819,985
Parks and Recreation	35,590	45,943
Interest	<u>1,550</u>	<u>519</u>
Total Expenses	\$ <u>1,289,916</u>	\$ <u>1,461,767</u>
Increase/(Decrease) in Net Position	\$ 135,440	\$ (128,909)
Net Position - Beginning of Year	10,078,245	9,251,038
Prior Period Capital Asset Adjustment	---	<u>956,116</u>
Net Position - End of Year	\$ <u>10,213,685</u>	\$ <u>10,078,245</u>

General Government revenues increased in all categories but one.

Expenses decreased due to lower public works expenses.

Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the fiscal year. At April 30, 2014, the Village's governmental funds reported combined ending fund balances of \$2,082,046, an increase of \$79,540 in comparison with the prior year. Approximately 87% of this total amount constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for specific restricted purposes.

The General Fund is the chief operating fund of the Village. At April 30, 2014, the fund balance of the General Fund was \$1,807,627, all of which was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 134% of total General Fund expenditures.

The General Fund fund balance decreased \$29,247 during the year ended April 30, 2014 due to the extent that ongoing expenses exceeded ongoing revenues.

Other significant highlights in the governmental funds for the year ended April 30, 2014 are outlined below:

- The Village spent \$305,526 on capital outlay and received three parcels of land donations valued at \$61,900.

The Motor Fuel Tax fund balance increased from \$165,632 as of April 30, 2013 to \$274,419 as of April 30, 2014. This increase was due to no significant public works projects being undertaken by this fund.

General Fund Budgetary Highlights

The Village's budget was not amended during the year ended April 30, 2014. Actual revenue exceeded budgeted revenue by \$45,019. This difference was mostly due to more than expected donations and miscellaneous revenue. Budgeted expenditures exceeded actual expenditures by \$3,396,434. The majority of this difference was due to less than expected General Government, Public Works, and Capital Outlay expenditures, and contingencies.

Capital Asset and Debt Administration

Capital Assets

The Village's investment in capital assets for its governmental activities as of April 30, 2014 amounts to \$8,188,450 (net of accumulated depreciation). This investment includes land, buildings and improvements, equipment, vehicles, park improvements, and infrastructure.

Table 3
Village of Wadsworth, Illinois
Capital Assets (net of depreciation)
As of April 30, 2014
Compared With April 30, 2013

	Governmental Activities	
	2014	2013
Land and Buildings	\$ 723,081	\$ 646,916
Office Equipment	8,670	3,883
Building Improvements	25,024	27,594
Park Improvements	81,300	87,413
Other Equipment	61,420	77,889
Infrastructure	7,288,955	7,302,994
Total	\$ 8,188,450	\$ 8,146,689

Major capital asset events during the year ended April 30, 2014 included the following:

- The Village added to its infrastructure assets.
- The Village received donated land valued at \$61,900.

For further information, please see Note 3 on page 20 and 21 of this report.

Long-Term Debt

At April 30, 2014, the Village had \$56,811 in debt outstanding, which will ultimately be retired during fiscal year 2017-18.

State statutes limit the amount of general obligation debt a non-home rule governmental village may issue to 8.625% of its equalized assessed valuation. The current debt limitation for the Village is \$10,248,550.

Economic Factors and Next Year's Budget

The Village's elected officials considered many factors when setting the fiscal year 2014-15 budget and the associated property tax rates. Such factors include the Village's assessed valuation, which can affect real estate tax revenues and the overall economy. The Village continues to seek ways to improve the quality and quantity of services provided to the citizens of the Village of Wadsworth, Illinois.

Requests For Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the Village of Wadsworth's finances. Any questions concerning the information provided herein or requests for additional financial information should be directed to: Administrator Moses Amidei, 14155 W. Wadsworth Rd., Wadsworth, IL 60083.

BASIC FINANCIAL STATEMENTS

VILLAGE OF WADSWORTH, ILLINOIS
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
APRIL 30, 2014

	<u>Governmental Activities</u>
Assets	
Cash	\$ 656,410
Investments	1,337,595
Receivables	
Property Taxes, Net	45,022
Intergovernmental Receivables	231,091
Other Receivables	18,912
Capital Assets	
Land and Other Non-Depreciable Assets	484,432
Other Capital Assets - Net of Depreciation	<u>7,704,018</u>
Total Assets	\$ <u>10,477,480</u>
Liabilities	
Accounts Payable	\$ 22,071
Accrued Payroll and Payroll Taxes	17,668
Deposits	122,223
Capital Leases - Current Maturities	14,553
Capital Leases - Long-Term Liabilities	<u>42,258</u>
Total Liabilities	\$ <u>218,773</u>
Deferred Inflow of Resources	
Unavailable Revenue - Property Taxes	\$ <u>45,022</u>
Total Liabilities and Deferred Inflows of Resources	\$ <u>263,795</u>
Net Position	
Net Investment in Capital Assets	\$ 8,131,639
Restricted Motor Fuel Tax	274,419
Unrestricted	<u>1,807,627</u>
Total Net Position	\$ <u>10,213,685</u>

See Accompanying Notes to Financial Statements.

VILLAGE OF WADSWORTH, ILLINOIS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2014

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities					
Functions/Programs					
General Government	\$ 600,884	\$ 74,525	\$ 61,900	\$ ---	\$ (464,459)
Public Works	651,892	---	---	---	(651,892)
Parks and Recreation	35,590	2,365	---	---	(33,225)
Interest	1,550	---	---	---	(1,550)
Total Governmental Activities	\$ <u>1,289,916</u>	\$ <u>76,890</u>	\$ <u>61,900</u>	\$ <u>---</u>	\$ <u>(1,151,126)</u>

General Revenues

Taxes	
Property Tax, Levied for General Purposes	\$ 43,774
State Sales Tax and Use Tax	580,940
State Income Tax	363,689
State Motor Fuel Tax	108,749
Other Taxes	154,778
Unrestricted Investment Earnings	304
Video Gaming Revenue	19,745
FEMA Reimbursement	5,685
Other General Revenues	8,902
Total General Revenues	\$ <u>1,286,566</u>
Change in Net Position	\$ 135,440
Net Position - Beginning	<u>10,078,245</u>
Net Position - Ending	\$ <u>10,213,685</u>

See Accompanying Notes to Financial Statements.

VILLAGE OF WADSWORTH, ILLINOIS
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 APRIL 30, 2014

	General	Motor Fuel Tax	Total Governmental Funds
Assets and Deferred Outflows of Resources			
Assets			
Cash	\$ 656,410	\$ ---	\$ 656,410
Investments	1,070,209	267,386	1,337,595
Receivables			
Property Taxes	45,022	---	45,022
Sales and Income Taxes	210,285	---	210,285
Telecommunications Tax	13,773	---	13,773
Motor Fuel Tax	---	7,033	7,033
Franchise Fees	13,092	---	13,092
Builders/Developers	5,108	---	5,108
Court Fines	29	---	29
Other Receivables	683	---	683
Deferred Outflows of Resources	\$ ---	\$ ---	\$ ---
Total Assets and Deferred Outflows of Resources	\$ 2,014,611	\$ 274,419	\$ 2,289,030
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts Payable	\$ 22,071	\$ ---	\$ 22,071
Payroll Liabilities	5,142	---	5,142
Accrued Wages	12,526	---	12,526
Developer Road Deposits	102,000	---	102,000
Escrow Deposits	6,310	---	6,310
Silt Fence Deposits	8,000	---	8,000
Park Security Deposits	400	---	400
School Agreement Deposits	5,513	---	5,513
Total Expenditures	\$ 161,962	\$ ---	\$ 161,962
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	\$ 45,022	\$ ---	\$ 45,022
Fund Balances			
Restricted For			
Motor Fuel Tax	\$ ---	\$ 274,419	\$ 274,419
Unassigned	1,807,627	---	1,807,627
Total Fund Balances	\$ 1,807,627	\$ 274,419	\$ 2,082,046
Total Liabilities and Fund Balances	\$ 2,014,611	\$ 274,419	\$ 2,289,030

See Accompanying Notes to Financial Statements.

VILLAGE OF WADSWORTH, ILLINOIS
FUND FINANCIAL STATEMENTS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION

APRIL 30, 2014

Total Fund Balances - Governmental Funds	\$ 2,082,046
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	
Capital Assets, Net of Accumulated Depreciation	8,188,450
Leases payable are not reported as a liability in the Governmental Funds	<u>(56,811)</u>
Net Position of Governmental Activities	\$ <u>10,213,685</u>

See Accompanying Notes to Financial Statements.

VILLAGE OF WADSWORTH, ILLINOIS

FUND FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED APRIL 30, 2014

	<u>General</u>	<u>Motor Fuel Tax</u>	<u>Total Governmental Funds</u>
Revenue			
Taxes	\$ 779,020	\$ ---	\$ 779,020
Licenses and Permits	66,226	---	66,226
Intergovernmental Revenue	364,161	108,749	472,910
Charges for Services	10,664	---	10,664
Interest	266	38	304
Donations	61,900	---	61,900
Other	<u>34,332</u>	---	<u>34,332</u>
Total Revenue	\$ <u>1,316,569</u>	\$ <u>108,787</u>	\$ <u>1,425,356</u>
Expenditures			
General Government	\$ 579,128	\$ ---	\$ 579,128
Public Works	371,909	---	371,909
Parks and Recreation	27,353	---	27,353
Capital Outlay	<u>367,426</u>	---	<u>367,426</u>
Total Expenditures	\$ <u>1,345,816</u>	\$ <u>---</u>	\$ <u>1,345,816</u>
Excess or (Deficiency) of Revenue Over Expenditures	\$ (29,247)	\$ 108,787	\$ 79,540
Fund Balance - May 1, 2013	<u>1,836,874</u>	<u>165,632</u>	<u>2,002,506</u>
Fund Balance - April 30, 2014	\$ <u>1,807,627</u>	\$ <u>274,419</u>	\$ <u>2,082,046</u>

See Accompanying Notes to Financial Statements.

VILLAGE OF WADSWORTH, ILLINOIS

FUND FINANCIAL STATEMENTS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED APRIL 30, 2014

Net Change in Fund Balances - Total Governmental Funds \$ 79,540

Amounts reported for Governmental Activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (325,665)	
Capital Outlay	<u>367,426</u>	41,761

Repayment of leases payable requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Repayment of Lease Payable		<u>14,139</u>
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Change in Net Position of Governmental Activities \$ 135,440

See Accompanying Notes to Financial Statements.

VILLAGE OF WADSWORTH, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Village of Wadsworth, Illinois' (Village) financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Village are discussed below.

A. Reporting Entity

The accompanying financial statements comply with the provisions of GASB Statement No. 14, The Financial Reporting Entity, in that the financial statements include all organizations, activities and functions that comprise the Village. Component units are legally separate entities for which the Village (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Village's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Village. Using these criteria, the Village has no funds that meet the above criteria. In addition, the Village is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. Basic Financial Statements - Government-wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund (reporting the Village's major funds) financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's general government, public safety, public works, and parks and recreation services are classified as governmental activities. The Village has no business-type activities at this time.

In the government-wide Statement of Net Position, the governmental activities (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three parts -- invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions. The functions are also supported by general government revenues (property taxes, sales taxes, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public works, parks and recreation, etc.). Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs by function are normally covered by general revenue (property taxes, sales and use taxes, unrestricted investment earnings, etc.).

The Village does not allocate indirect costs.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basic Financial Statements - Government-wide Statements (continued)

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The two funds of the Village are considered major funds.

The following fund types are used by the Village:

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The Village reports these governmental funds and fund types:

General Fund - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - The Special Revenue Fund (Motor Fuel Tax) is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Property tax revenues are recognized in the period for which levied. Other non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements are met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting (continued)

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. An exception was made to the 60-day recognition period for income tax revenues due to delayed payments from the State of Illinois. The exception was made to preserve the consistency of revenue recognition between years. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

The Village reports deferred inflows on its governmental funds Balance Sheet. Deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. At April 30, 2014, the Village has \$45,022 of deferred inflows, all of which is from property taxes.

E. Cash and Cash Equivalents and Investments

Separate bank accounts are maintained for all of the Village's funds.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains and losses on the sale of investments are recognized as they are incurred.

F. Receivables

Receivables are reported net of estimated uncollectible amounts. Allowances for uncollectible amounts are as follows:

Property Taxes Receivable	\$	226
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All other receivable allowances are estimated at \$-0-.

G. Prepaid Expenses

Prepaid expenses are for payments made by the Village in the current year for goods and services received in the subsequent fiscal year. The Village had no material prepaid expenses at year-end.

H. Inventories

Inventory accounts are not maintained within the funds to reflect the values of resale or supply items on hand. Instead, the costs of such items are charged to expense when purchased. The value of these items is not deemed to be material. The Village has no inventory at year-end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Interfund Activity

Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

J. Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line half-year basis over the following estimated useful lives:

Building and Improvements	15-50 years
Equipment	5-45 years
Park Improvements	5-45 years
Vehicles	5-25 years
Infrastructure	20-50 years

The Village reports and depreciates infrastructure assets effective as of May 1, 2011. Infrastructure assets include roads, bridges, underground pipe, etc. These infrastructure assets constitute the largest asset class of the Village's governmental activities.

K. Government-Wide Net Position

Government-wide net position is divided into three components:

1. Invested in capital assets, net of related debt -- consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
2. Restricted net position -- consist of net position that is restricted by the Village's creditors (for example), through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
3. Unrestricted -- all other net position is reported in this category.

L. Governmental Fund Balances

Governmental fund balances are divided between non-spendable and spendable.

Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

1. Restricted -- Restricted fund balances are restricted when constraints are placed on their use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Governmental Fund Balances (continued)

2. Committed -- Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g., legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
3. Assigned -- Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g., a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. The Village has not delegated this authority to an appointed body or official.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as non-spendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Village itself. All other assigned fund balances are the residual amounts of the fund.

4. Unassigned -- Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash. This classification is also used to represent negative fund balances in special revenue funds.

The Village permits funds to be expended in the following order: Restricted, Committed, Assigned, and Unassigned.

M. Property Tax Calendar and Revenues

The Village's property tax is levied each calendar year on all taxable real property located within the Village's borders on or before the last Tuesday in December. The 2013 levy was passed by the Board on December 17, 2013. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Village receives significant distributions of tax receipts approximately one month after these dates.

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - PROPERTY TAXES

Property tax revenues are recorded on the "deferred method". Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the County Collector, the property taxes are not "available" to finance current year expenditures. For those funds on the modified accrual basis, the current year tax levy is recorded as property taxes receivable and unavailable revenue.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2 - PROPERTY TAXES (continued)

A summary of assessed valuations, extensions and collections for tax years 2011, 2012, and 2013 follows:

Tax Years	2013		2012		2011	
Assessed Valuation	\$	119,482,448	\$	134,720,824	\$	152,624,312
	<u>Rates</u>	<u>Extension</u>	<u>Rates</u>	<u>Extension</u>	<u>Rates</u>	<u>Extension</u>
Purpose						
Corporate	<u>.018</u>	\$ <u>21,507</u>	<u>.016</u>	\$ <u>21,555</u>	<u>.014</u>	\$ <u>21,367</u>
Village Share of Township						
Road and Bridge Fund:						
Newport Township		\$ 16,371		\$ 16,055		\$ 16,135
Warren Township		7,102		6,016		5,982
Benton Township		269		264		253
		\$ <u>23,742</u>		\$ <u>22,335</u>		\$ <u>22,370</u>
Total Extension		\$ <u>45,249</u>		\$ <u>43,889</u>		\$ <u>43,737</u>
Collections		\$ <u>---</u>		\$ <u>43,774</u>		\$ <u>43,659</u>
Percent of Extension Collected		N/A		99.74%		99.82%

In addition to tax rate limitations which govern individual fund tax rates, the Village is subject to "Tax Cap" limitations affecting the five collar counties surrounding Cook County, Illinois. Under the "Tax Cap", the total of certain levies (not including bond levies) may not increase by more than the lesser of 5% of the prior year total or the prior year percentage increase in the Consumer Price Index.

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ <u>402,499</u>	\$ <u>81,933</u>	\$ <u>---</u>	\$ <u>484,432</u>
Other Capital Assets:				
Buildings	\$ 472,196	\$ ---	\$ ---	\$ 472,196
Office Equipment	74,052	7,552	5,750	75,854
Building Improvements	216,196	1,034	---	217,230
Park Improvements	361,301	2,124	---	363,425
Other Equipment	204,580	---	---	204,580
Infrastructure	<u>9,849,198</u>	<u>274,783</u>	<u>---</u>	<u>10,123,981</u>
Total Other Capital Assets at Historical Cost	\$ <u>11,177,523</u>	\$ <u>285,493</u>	\$ <u>5,750</u>	\$ <u>11,457,266</u>
Less: Accumulated Depreciation For:				
Buildings	\$ 227,779	\$ 5,768	\$ ---	\$ 233,547
Office Equipment	70,169	2,765	5,750	67,184
Building Improvements	188,602	3,604	---	192,206
Park Improvements	273,888	8,237	---	282,125
Other Equipment	126,691	16,469	---	143,160
Infrastructure	<u>2,546,204</u>	<u>288,822</u>	<u>---</u>	<u>2,835,026</u>
Total Accumulated Depreciation	\$ <u>3,433,333</u>	\$ <u>325,665</u>	\$ <u>5,750</u>	\$ <u>3,753,248</u>
Other Capital Assets, Net	\$ <u>7,744,190</u>	\$ <u>(40,172)</u>	\$ <u>---</u>	\$ <u>7,704,018</u>
Governmental Activities Capital Assets, Net	\$ <u>8,146,689</u>	\$ <u>41,761</u>	\$ <u>---</u>	\$ <u>8,188,450</u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 3 - CAPITAL ASSETS (continued)

All capital asset additions came from the General Fund.

Depreciation expense was allocated by function as follows:

General Government	\$ 37,445
Public Works	279,983
Parks and Recreation	<u>8,237</u>
	\$ <u>325,665</u>

NOTE 4 - CASH AND INVESTMENTS

The Village is allowed to invest in securities as authorized by Chapter 30, *Illinois Compiled Statutes*, Act 235/Articles 2 and 6.

A. Deposits

At April 30, 2014, the carrying amount of the Village's deposits was \$654,660, exclusive of \$1,500 in cash on hand and \$250 held as petty cash, and the bank balance was \$657,452.

B. Investments

The following table shows the Village's investments:

	<u>Carrying Amount</u>	<u>Fair Value</u>
The Illinois Fund	\$ <u>1,337,595</u>	\$ <u>1,337,595</u>

Interest Rate Risk - The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State law limits investments to specific types of investment instruments.

Concentration of Credit Risk - The Village places no limit on the amount the Village may invest in any one investment instrument. Some of the Village's deposits and investments are covered by FDIC Insurance or collateral consisting of U.S. Government securities or U.S. Government insurance programs. The amount of deposits and investments not secured by FDIC Insurance or collateral was \$617,906 at April 30, 2014.

NOTE 5 - PENSION AND RETIREMENT FUND COMMITMENTS

A. Illinois Municipal Retirement Fund

The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly-available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

NOTE 5 - PENSION AND RETIREMENT FUND COMMITMENTS (continued)

A. Illinois Municipal Retirement Fund (continued)

As set by statute, the Village's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 11.25%. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

The required contribution for calendar year 2013 was \$23,907.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/13	\$ 23,907	100%	\$ ---
12/31/12	19,320	100%	---
12/31/11	17,669	98%	389

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2011 included: (a) 7.5% investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4.00% a year, attributable to inflation; (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit; and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village of Wadsworth's regular plan's unfunded actuarial accrued liability at the December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30-year basis.

As of December 31, 2013, the most recent actuarial valuation date, the Village's regular plan was 77.98% funded. The actuarial accrued liability for benefits was \$280,527 and the actuarial value of assets was \$218,761, resulting in an underfunded actuarial accrued liability (UAAL) of \$61,766. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$212,510 and the ratio of the UAAL to the covered payroll was 29%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B. Social Security

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The Village paid \$21,665, the total required contribution for the current fiscal year.

NOTE 6 - LONG-TERM DEBT

The Village entered into a capital lease agreement on January 15, 2013 for the use of a Ford F550 dump truck. The terms of the lease call for monthly payments of \$1,307.47, including interest at 2.89%. The balance due at April 30, 2014 was \$56,811.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 6 - LONG-TERM DEBT (continued)

At April 30, 2014, the annual debt service requirements to service this capital lease were:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 14,553	\$ 1,137	\$ 15,690
2016	14,980	710	15,690
2017	15,419	271	15,690
2018	<u>11,859</u>	<u>141</u>	<u>12,000</u>
	\$ <u>56,811</u>	\$ <u>2,259</u>	\$ <u>59,070</u>

NOTE 7 - CALCULATION OF LEGAL DEBT MARGIN

2013 Assessed Valuation	\$ 119,482,448
Statutory Debt Limitation Rate	<u>x 8.625%</u>
Statutory Debt Limitation	\$ <u>10,305,361</u>
Total Debt	<u>56,811</u>
Legal Debt Margin	\$ <u>10,248,550</u>

NOTE 8 - SUBSEQUENT EVENTS

The Village has evaluated subsequent events through September 19, 2014, the date on which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION -
HISTORICAL PENSION FUND INFORMATION**

VILLAGE OF WADSWORTH, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
ANALYSIS OF EMPLOYEE CONTRIBUTIONS
AND FUNDING PROGRESS (UNAUDITED)

APRIL 30, 2014

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
12/31/13	\$ 218,761	\$ 280,527	\$ 61,766	77.98%	\$ 212,510	29.06%
12/31/12	161,766	233,884	72,118	69.17%	190,534	37.85%
12/31/11	340,059	418,153	78,094	81.32%	177,048	44.11%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$269,218. On a market basis, the funded ratio would be 95.97%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village of Wadsworth. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WADSWORTH, ILLINOIS
GENERAL CORPORATE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2014

	<u>Budget</u>	<u>Actual</u>
Revenue		
Locally Levied Taxes		
Property Taxes	\$ 43,000	\$ 43,774
Sales Taxes	600,000	580,940
Franchise Fees	65,000	69,224
Telecommunication Fees	90,000	84,220
Hotel Use Tax	750	862
Licenses and Permits		
Liquor Licenses	16,000	16,297
Motor Vehicle Licenses	100	72
Building Permits	25,000	40,881
Scavenger Licenses	---	1,250
Recycling and Reclamation Payments	5,000	3,136
Contractor Licenses	3,000	4,590
Intergovernmental Revenue		
Illinois Income Tax	400,000	363,689
Illinois Replacement Tax	400	472
Charges for Services		
Rental of Facilities	300	125
Zoning and Other Fees	5,000	4,467
Park Fees	2,000	2,365
Other Revenue		
Earnings on Investments		
Interest Earned	1,000	266
Reimbursement of Fees	---	422
Fines and Forfeitures	10,000	3,285
FEMA	---	5,685
Special Events	---	50
Video Gaming Revenue	---	19,745
Farmer's Market Vendor Fees	---	1,015
Contributions and Donations	---	61,900
Miscellaneous Income	5,000	7,837
Total Revenue	\$ <u>1,271,550</u>	\$ <u>1,316,569</u>
Expenditures (Page 26)		
General Government	\$ 1,136,000	\$ 579,128
Public Works	1,056,250	371,909
Parks and Recreation	100,000	27,353
Capital Outlay	950,000	367,426
Contingencies	1,500,000	---
Total Expenditures	\$ <u>4,742,250</u>	\$ <u>1,345,816</u>
Excess or (Deficiency) of Revenue Over Expenditures	\$ <u>(3,470,700)</u>	\$ (29,247)
Fund Balance - Beginning		<u>1,836,876</u>
Fund Balance - Ending		\$ <u>1,807,629</u>

VILLAGE OF WADSWORTH, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED APRIL 30, 2014

	<u>Budget</u>	<u>Actual</u>
Expenditures		
General Government		
President and Board of Trustees	\$ 35,000	\$ 31,380
Village Clerk	7,500	7,200
Village Administrator	85,000	78,902
Village Treasurer	7,500	7,200
Building and Site Inspectors	40,000	26,511
Municipal Employees Salaries	175,000	135,344
Legal	125,000	83,478
Audit	15,000	11,200
Insurance	25,000	21,891
Dues and Subscriptions	7,500	8,326
Comprehensive Plan	---	9,812
Bond Premiums for Village Officials	1,000	---
Village Hall and Community Center Operating Expenses	150,000	44,115
Travel, Registration, and Truck	30,000	44,266
Interest Expense	---	1,550
Police Contractual Services	10,000	---
Planning and Feasibility Study	45,000	---
Stationary, Printing, Postage, and Office Supplies	10,000	2,697
Consulting Fees	25,000	1,610
Illinois Municipal Retirement Fund	20,000	22,912
Board Expense	7,500	6,238
Special Events	50,000	5,368
Payroll Taxes	40,000	29,128
Grant Expenses	<u>225,000</u>	<u>---</u>
	<u>\$ 1,136,000</u>	<u>\$ 579,128</u>
Public Works		
Street Lighting	\$ 75,000	\$ 50,406
Road Maintenance and Materials	877,250	291,449
Refuse Disposal	4,000	1,213
Engineering Expenses	<u>100,000</u>	<u>28,841</u>
	<u>\$ 1,056,250</u>	<u>\$ 371,909</u>
Parks and Recreation		
Park Maintenance and Utilities	<u>\$ 100,000</u>	<u>\$ 27,353</u>
Capital Outlay		
Municipal Equipment	\$ 200,000	\$ 30,743
Infrastructure	---	274,783
Land	<u>750,000</u>	<u>61,900</u>
	<u>\$ 950,000</u>	<u>\$ 367,426</u>
Contingencies	<u>\$ 1,500,000</u>	<u>\$ ---</u>
Total Expenditures	<u>\$ 4,742,250</u>	<u>\$ 1,345,816</u>

VILLAGE OF WADSWORTH, ILLINOIS

MOTOR FUEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

FOR THE YEAR ENDED APRIL 30, 2014

	<u>Budget</u>	<u>Actual</u>
Revenue		
Intergovernmental Revenue		
Motor Fuel Tax Allocations	\$ 90,000	\$ 108,749
Other Revenue		
Interest on Investments	<u>100</u>	<u>38</u>
Total Revenue	\$ <u>90,100</u>	\$ <u>108,787</u>
Expenditures		
Road Maintenance	\$ 300,000	\$ ---
Capital Outlay	<u>---</u>	<u>---</u>
Total Expenditures	\$ <u>300,000</u>	\$ <u>---</u>
Excess or (Deficiency) of Revenue Over Expenditures	\$ <u>(209,900)</u>	\$ 108,787
Reserve Balance - May 1, 2013		<u>165,632</u>
Reserve Balance - April 30, 2014		\$ <u>274,419</u>

VILLAGE OF WADSWORTH, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

APRIL 30, 2014

NOTE 1 - BUDGET

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for all funds. All annual budgets lapse at fiscal year-end.

Budgeted expenditures are controlled at the departmental level with the Village Administrator's oversight. All transfers and any revision that changes the total expenditures not contemplated of any fund must be approved by the Village Board. All budget amendments must be approved by the Village Board.

The budget document in this context was the Village of Wadsworth Ordinance 2013-901 entitled An Ordinance Fixing the Annual Appropriation for the Village of Wadsworth, Lake County, Illinois for the Fiscal Year Beginning May 1, 2013 and Ending April 30, 2014.

The budget was approved on July 2, 2013.